

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

FINANCIAL SUMMARY

	FY 2007 EXPENDITURE	FY 2008 APPROPRIATION	FY 2009 REQUEST	GOVERNOR RECOMMENDS FY 2009
Department Administration	\$ 8,363,575	\$ 11,800,537	\$ 21,420,335	\$ 11,571,489
Labor and Industrial Relations Commission	818,835	1,011,399	962,695	987,581
Division of Labor Standards	1,732,100	3,135,658	3,121,840	3,188,944
Division of Workers' Compensation	82,114,971	79,680,254	85,747,389	85,989,024
Division of Employment Security	44,251,044	48,268,822	37,409,000	38,100,814
State Board of Mediation	0	0	118,535	119,675
Commission on Human Rights	1,536,772	1,704,683	1,723,645	1,769,730
DEPARTMENTAL TOTAL	\$ 138,817,297	\$ 145,601,353	\$ 150,503,439	\$ 141,727,257
General Revenue Fund	2,354,887	2,543,177	5,711,510	2,652,944
Federal Funds	3,206,889	4,894,027	2,493,151	2,672,556
Tort Victims' Compensation Fund	470,092	105,000	105,000	105,000
Unemployment Compensation Administration Fund	34,787,359	48,018,496	45,977,274	44,772,161
Workers' Compensation Fund	9,554,871	11,880,420	16,801,330	12,093,078
Second Injury Fund	66,087,716	60,506,625	76,250,000	76,250,000
Crime Victims' Compensation Fund	6,291,858	7,458,065	0	0
War on Terror Unemployment Compensation Fund	0	1,354,764	350,000	350,000
Child Labor Enforcement Fund	66,229	185,000	185,000	185,000
Special Employment Security Bond Proceeds Fund	0	1	1	1
Special Employment Security Fund	15,997,396	8,655,778	2,630,173	2,646,517
Full-time equivalent employees	854.77	958.41	865.96	865.96

DEPARTMENT SUMMARY

Governor Blunt's Fiscal Year 2009 budget provides a total of \$141.7 million for the Department of Labor and Industrial Relations. The department provides services that promote economic security and safe and healthy workplaces, and protect wage earners and individuals against discrimination. The core functions provided by the Department of Labor and Industrial Relations include:

- Processing and awarding payment of compensation to those who are unemployed, injured at work, or victims of crime.
- Assuring safe and healthy workplaces for Missouri employees through on-site inspections that identify hazards to be corrected in the workplace.
- Protecting wage earners and individuals against discrimination by improving workplace conditions and enforcing labor and anti-discrimination laws.

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

DEPARTMENT ADMINISTRATION

The Director's Office provides leadership and supervision in the areas of policy, operation, and interagency coordination/cooperation. Functions centralized within the Director's Office include: administrative services, financial management, human resources, legislative and public relations, research and analysis, and legal services.

Fiscal Year 2009 Governor's Recommendations

- \$147,854 increased transfer to the Department of Labor and Industrial Relations Administrative Fund for pay plan, including \$10,246 general revenue.
- \$3,300 other funds for pay plan.
- \$527,414 and .03 staff reallocated for realignment of the federal cost allocation plan, including \$19,033 general revenue.
- \$110,000 other funds and two staff reallocated from various divisions for oversight of information technology projects.
- (\$527,414) reallocated for realignment of the federal cost allocation plan, including (\$22,060) general revenue.
- (\$289,527) federal and other funds core reduction from the Fiscal Year 2008 appropriation level.
- (\$195,819) reallocated to various divisions to pay printing charges, including (\$40,678) general revenue.
- (\$4,856) transferred to the Office of Administration for information technology services.
- (.53) staff transferred to the Department of Public Safety pursuant to Executive Order 07-07 transferring the Crime Victims' Compensation Program.

LABOR AND INDUSTRIAL RELATIONS COMMISSION

The three-member Labor and Industrial Relations Commission reviews all appeals from all decisions and awards in workers' compensation, unemployment compensation, prevailing wage, victims of crime compensation, and tort victims' compensation cases at the highest administrative level. The commission conducts hearings and renders written opinions. The commission's opinions are subject to review by the judiciary. The commission has the responsibility of determining an appropriate bargaining unit of public employees, based on their community of interests and conducts secret ballot elections to determine majority status. The commission is also charged with the statutory authority to approve or disapprove all rules and regulations promulgated by the divisions within the department.

Fiscal Year 2009 Governor's Recommendations

- \$24,886 for pay plan, including \$373 general revenue.
- \$82,300 reallocated for realignment of the federal cost allocation plan, including \$9,814 general revenue.
- \$13,723 federal and other funds and .59 staff reallocated to realign the core budget.
- \$858 reallocated from Administration to pay printing charges, including \$4 general revenue.
- (\$82,300) and (.47) staff reallocated for realignment of the federal cost allocation plan, including (\$8,656) general revenue.
- (\$63,285) and (1.12) staff reallocated to the State Board of Mediation.
- (One) staff core reduction from the Fiscal Year 2008 appropriation level.

DIVISION OF LABOR STANDARDS

State statutes require the Division of Labor Standards to assure the safety and health of Missouri workers. To reduce deaths and disabling injuries, staff conduct regular and special on-site inspections of businesses, industries, and commercial mines and caves. To ensure compliance with statutory provisions governing wage rates for public works projects, the division surveys prevailing wage rates for laborers, mechanics, and other workers employed in the construction industry. The division conducts on-site inspections to assure compliance with Missouri's Child Labor Law. Also, the division provides safety and health training classes for mine operators and miners. All miners, whether surface or underground, are required by federal law to complete a minimum number of hours in training before beginning work and annually thereafter. The division provides on-site safety and health consultations to businesses and industrial facilities by qualified professional consultants to identify serious hazards and recommend means for eliminating them. Private employers are not charged for this service. The division performs these consultations upon employer requests.

Fiscal Year 2009 Governor's Recommendations

- \$67,104 for pay plan, including \$31,269 general revenue.
- \$23,190 reallocated from Administration to pay printing charges, including \$21,712 general revenue.
- (\$35,206) Workers' Compensation Fund and (3.5) staff core reduction from the Fiscal Year 2008 appropriation level.
- (\$1,802) transferred to the Office of Administration for facility costs.

**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
DIVISION OF WORKERS' COMPENSATION**

FINANCIAL SUMMARY

	FY 2007 EXPENDITURE	FY 2008 APPROPRIATION	GOVERNOR RECOMMENDS FY 2009
Administration	\$ 7,740,069	\$ 9,449,028	\$ 9,639,024
Second Injury Benefits	66,087,716	60,506,625	76,250,000
Crime Victims' Administration	288,068	424,601	0
Crime Victims' Compensation Benefits	7,529,118	9,200,000	0
Tort Victims' Compensation Payments	470,000	100,000	100,000
TOTAL	\$ 82,114,971	\$ 79,680,254	\$ 85,989,024
Federal Funds	1,591,408	2,262,671	0
Tort Victims' Compensation Fund	470,092	105,000	105,000
Workers' Compensation Fund	7,739,977	9,422,428	9,634,024
Second Injury Fund	66,087,716	60,506,625	76,250,000
Crime Victims' Compensation Fund	6,225,778	7,383,530	0

DIVISION OF WORKERS' COMPENSATION - ADMINISTRATION

The Division of Workers' Compensation processes all reports of job-related injuries and formal claims for compensation filed with the division under the "Missouri Workers' Compensation Law." The division also resolves disputed issues between an employee and employer/insurer through mediation and/or evidentiary hearings conducted by its administrative law judges. The division administers the rehabilitation of seriously injured workers, resolves disputes concerning the reasonableness of medical fees and charges, reviews and approves applications by employers or group trusts for self-insurance authority, and investigates allegations of workers' compensation fraud and noncompliance.

Fiscal Year 2009 Governor's Recommendations

- \$241,635 Workers' Compensation Fund for pay plan.
- \$24,961 Workers' Compensation Fund reallocated from Administration to pay printing charges.
- (\$55,000) Workers' Compensation Fund and (one) staff reallocated to Administration for oversight of information technology projects.
- (\$21,600) Crime Victims' Compensation Fund transferred to the Department of Public Safety pursuant to Executive Order 07-07 transferring the Crime Victims' Compensation Program.
- (Two) staff core reduction from the Fiscal Year 2008 appropriation level.

SECOND INJURY FUND

The Second Injury Fund is designed to compensate an injured employee when a current work-related injury combines with any prior injury that creates an increased combined disability. For example, if an injured employee has a 15 percent disability from the current work-related injury and a 15 percent disability from the prior injury, and the combined disability is 40 percent, the fund pays for the increased disability. The fund is also responsible for payment of medical bills for injured employees when the employer fails to insure its workers' compensation liability. In addition, if the employee is killed, burial expenses and death benefits in the form of weekly payments to the surviving spouse or dependents of the employee are paid from the fund. The fund also provides benefits to injured employees undergoing physical rehabilitation. For injuries taking place after August 28, 1998, the fund also provides second job lost wage benefits.

Fiscal Year 2009 Governor's Recommendations

- \$15,743,375 Second Injury Fund for payment of claims.

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

DIVISION OF WORKERS' COMPENSATION (Continued)

CRIME VICTIMS' ADMINISTRATION

The Crime Victims' Administration Unit was established to investigate all claims by victims of crime which are filed with the division in order to determine eligibility under the statute and the amount of losses incurred. The unit fulfills these responsibilities by processing and investigating claims and awarding or denying compensation.

Fiscal Year 2009 Governor's Recommendations

- (\$424,601) federal and other funds and (nine) staff transferred to the Department of Public Safety pursuant to Executive Order 07-07 transferring the Crime Victims Compensation Program.

CRIME VICTIMS' COMPENSATION BENEFITS

The Crime Victims' Compensation Program processes and awards benefits to eligible victims of violent crimes. Crime Victims' Compensation benefits are available to individuals who, through no fault of their own, find themselves victimized by violent crimes. Since benefits are only paid to recover expenditures made or wages lost as a result of their victimization, benefit recipients do not profit from the criminal violation. State funding to pay benefits is derived from a combination of court fees assessed in criminal cases and fines levied against individuals convicted of criminal activity. Federal grant dollars are also awarded based on the state's prior year expenditure for benefits.

Fiscal Year 2009 Governor's Recommendations

- (\$9,200,000) federal and other funds transferred to the Department of Public Safety pursuant to Executive Order 07-07 transferring the Crime Victims' Compensation Program.

TORT VICTIMS' COMPENSATION PAYMENTS

The Tort Victims' Compensation Fund provides benefits to individuals who have received a final monetary judgment in a civil case but who have been unable to collect all, or part of, the judgment entered against the defendant. Funding is provided from the Tort Victims' Compensation Fund. The fund's exclusive revenue source is 50 percent of all punitive damage awards entered in civil cases in Missouri. Of this amount, 74 percent is used to pay victims.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

**DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
DIVISION OF EMPLOYMENT SECURITY**

FINANCIAL SUMMARY

	FY 2007 EXPENDITURE	FY 2008 APPROPRIATION	GOVERNOR RECOMMENDS FY 2009
Administration	\$ 22,903,604	\$ 31,458,279	\$ 28,360,946
Special Employment Security Fund	15,904,395	8,455,778	2,389,867
War on Terror Unemployment Compensation Program	0	1,354,764	350,000
Employment and Training Payments	5,443,045	7,000,000	7,000,000
Board of Unemployment Fund Financing Bond Proceeds	0	1	1
TOTAL	\$ 44,251,044	\$ 48,268,822	\$ 38,100,814
Federal Funds	28,346,649	38,458,279	35,360,946
War on Terror Unemployment Compensation Program	0	1,354,764	350,000
Special Employment Security Bond Proceeds Fund	0	1	1
Special Employment Security Fund	15,904,395	8,455,778	2,389,867

DIVISION OF EMPLOYMENT SECURITY - ADMINISTRATION

The Division of Employment Security is responsible for determining employer liability, collecting unemployment compensation taxes from Missouri liable employers, paying unemployment benefits to eligible claimants, maintaining wage records of Missouri workers, and investigating cases involving possible fraud and benefit overpayments.

Fiscal Year 2009 Governor's Recommendations

- \$677,120 federal funds for pay plan.
- \$127,848 federal funds reallocated from Administration to pay printing charges.
- (\$3,843,584) federal funds and (73) staff core reduction from the Fiscal Year 2008 appropriation level.
- (\$55,000) federal funds and (one) staff reallocated to Administration for oversight of information technology projects.
- (\$3,717) federal funds reallocated to the Labor and Industrial Relations Commission.

SPECIAL EMPLOYMENT SECURITY FUND

The Special Employment Security Fund is derived from interest and penalties collected under the provisions of the Missouri Employment Security Law. Expenditures from this fund are made in accordance with Section 288.310, RSMo, which includes refunds of overcollected interest and penalties and administrative expenses of the division not covered by the federal grant. The fund may also be used to acquire suitable office space for the division. Section 288.128, RSMo, provides for federal interest assessments on Title XII advances to the Unemployment Trust Fund to be deposited into this fund until payment to the federal government is made.

Fiscal Year 2009 Governor's Recommendations

- \$14,694 Special Employment Security Fund for pay plan.
- (\$6,000,000) Special Employment Security Fund core reduction from the Fiscal Year 2008 appropriation level.
- (\$80,605) Special Employment Security Fund transferred to the Office of Administration for leasing costs.

WAR ON TERROR UNEMPLOYMENT COMPENSATION PROGRAM

The War on Terror Unemployment Compensation Program provides enhanced unemployment benefits to veterans of the War on Terror who have been dismissed or demoted as a result of being deployed. Benefits are paid out of the War on Terror Unemployment Compensation Fund, which consists of administrative penalties paid by employers found in violation of the statutory provisions.

Fiscal Year 2009 Governor's Recommendations

- (\$1,004,764) War on Terror Unemployment Compensation Fund and (1.5) staff core reduction from the Fiscal Year 2008 appropriation level.

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

DIVISION OF EMPLOYMENT SECURITY (Continued)

EMPLOYMENT AND TRAINING PAYMENTS

The Division of Employment Security operates employment and training programs authorized and funded by the U.S. Department of Labor as authorized by the North American Free Trade Agreement (NAFTA) and the Trade Adjustment Assistance (TAA) programs. The division contracts with the Division of Workforce Development and others to provide a full range of services. Services include referral to employer job openings, job readiness skills training, referral to classroom or employer training, as well as payment of support services such as transportation, subsistence, and relocation allowances.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

BOARD OF UNEMPLOYMENT FUND FINANCING

The Board of Unemployment Fund Financing has authority to borrow up to \$450 million in credit instruments or financial agreements to fund the Unemployment Compensation Trust Fund in accordance with Sections 288.310, 288.330, and 288.128, RSMo.

Fiscal Year 2009 Governor's Recommendations

Continue funding at the current level.

STATE BOARD OF MEDIATION

The State Board of Mediation is a quasi-judicial board created by an act of the General Assembly in 1947 to mediate public utility disputes. Since 1967, the board has been charged with the responsibility of determining appropriated bargaining units of public employees. It also conducts secret ballot elections to determine exclusive bargaining agent status. The board retains the authority to mediate disputes in the area of public utilities regarding wages and working conditions.

Fiscal Year 2009 Governor's Recommendations

- \$65,256 and one staff to re-establish the State Board of Mediation.
- \$1,140 for pay plan.
- \$53,279 and one staff reallocated from the Labor and Industrial Relations Commission.

MISSOURI COMMISSION ON HUMAN RIGHTS

The statutory mandate of the Missouri Commission on Human Rights (MCHR) is to prevent and eliminate discrimination as prohibited by the Missouri Human Rights Act. The act requires the MCHR to receive, investigate, and resolve complaints of alleged discrimination in the areas of housing, employment, and public accommodations due to race, color, religion, national origin, ancestry, sex, disability, or age (in employment only) and familial status (in housing only). Through its education and outreach program, the MCHR reduces intergroup conflict and discourages illegal discrimination.

Fiscal Year 2009 Governor's Recommendations

- \$46,085 for pay plan, including \$20,016 general revenue.
- \$18,962 reallocated from Administration to pay printing charges.
- (2.92) staff core reduction from the Fiscal Year 2008 appropriation level.
- (.03) staff reallocated to Administration for realignment of the federal cost allocation plan.